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February 24, 2011

Energy and Technology Committee
Legislative Office Building, Room 3900
Hartford, CT 06106

Members of the Energy and Technology Committee: RE: SB 1024

My name is Larry McHugh and I am President of the Middlesex Chamber of Commerce. Founded in 1895, the Middlesex Chamber has been serving the job-creators of our area for well over one hundred years. We currently represent 2,400 member businesses that account for over 50,000 jobs. The mission of the Middlesex Chamber of Commerce is to be an advocate for the business community so that everyone can enjoy the benefits of a vibrant economy.

The cornerstone of sustainable economic growth is fair business practice, competition, and industry-wide regulations that create a level playing field for all businesses involved. Unfortunately, Connecticut's telecommunication rules do not adhere to these principles. As they stand, the state's existing telecommunications laws create an environment unfavorable to business investment and economic growth. Over the last twenty years, Connecticut has experienced 0% job growth and the state's annual employment is expected to grow by less than 1% over the next five years.

The burdensome and outdated regulations currently in place deeply impact business investment across the state. Telephone companies and telecommunications providers face disadvantages in competition and increases in the cost of doing business, without providing any benefit to consumers. In order to stabilize our state's business environment and improve competition and investment, updated telecom regulations need to be put into place.

The Telecom Modernization Act will improve business investment in the state by eliminating tariffs and their expense, freeing up cash that can be used to improve networks and hire new employees, while also eliminating duplication in paper filings before the DPUC. Companies normally submit filings electronically. Paper copies are wasteful and redundant for both companies and the DPUC. Among other improvements, implementation of the Modernization Act will streamline a 60 year old law that no longer applies to the business environment of today. It is critically important to stress that updating rules and regulations through the Telecom Modernization act will not impact consumers. In fact, these outdated rules ultimately hurt consumers by serving as a disincentive to invest and raising costs which limits capital that could be spent for products and services that consumers want.

Modernizing the state's telecom laws will enable businesses to invest more in Connecticut. This investment is necessary for the creation of new jobs as well as important enhancements to our telecom networks. We urge the General Assembly to update Connecticut's telecommunications laws through the Telecom Modernization Act in order to protect business investment in our state. Thank you for the opportunity to testify.

Sincerely,

Larry McHugh
President
Middlesex County Chamber of Commerce

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